

EXAMINER'S BANKING PRACTICES SURVEY

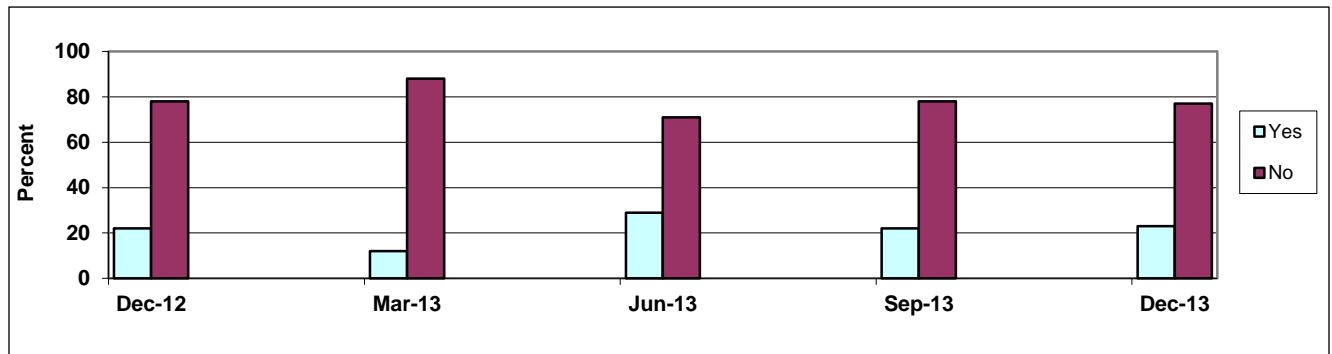
Fourth Quarter 2013

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2013** results are compiled from **30** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
RE/Const/Land Devel	7%	25%	10%	34%	0%
RE/Agricultural	21%	0%	20%	13%	13%
RE/Commercial/Indust	21%	0%	15%	0%	24%
RE/Residential	7%	0%	10%	13%	13%
Agricultural	30%	0%	20%	13%	37%
Commercial/Industrial	7%	50%	20%	20%	13%
Consumer	7%	25%	5%	7%	0%

2. Is the institution active in making the following types of loans?

	Mar-13		Jun-13		Sep-13		Dec-13	
	Yes 4%	No 96%	Yes 3%	No 97%	Yes 0%	No 100%	Yes 3%	No 97%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	100%		0%		0%		0%	
Dealer paper	0%		100%		0%		0%	
Low or No-doc bus. lending	0%		0%		0%		100%	
High LTV home eq. lending	0%		0%		0%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

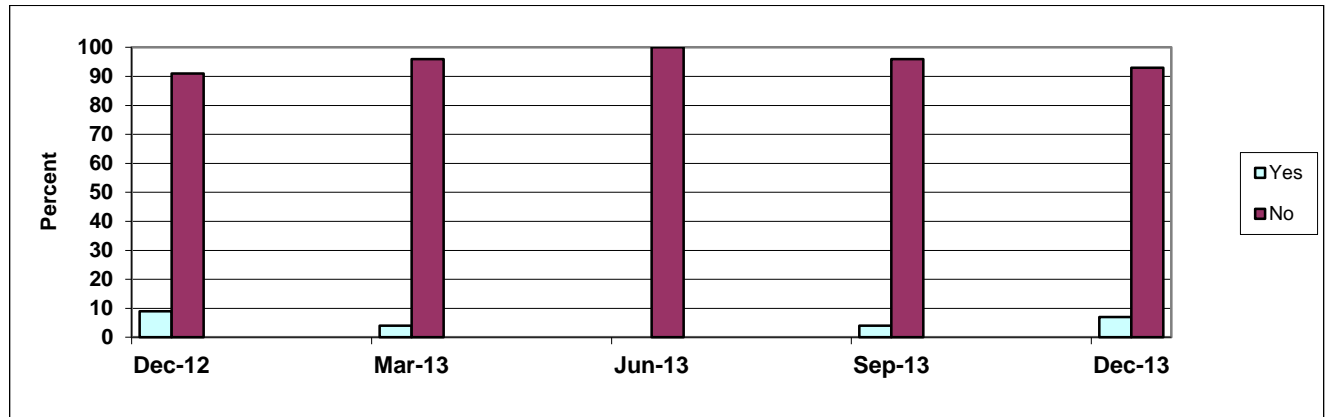
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Yes	0%	0%	10%	0%	3%
No	100%	100%	90%	100%	97%

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4. Does the institution use credit scoring models for loan decisions?

	Mar-13		Jun-13		Sep-13		Dec-13	
	Yes 16%	No 84%	Yes 7%	No 93%	Yes 15%	No 85%	Yes 23%	No 77%
Of Yes Responses - Loan type								
Credit card	13%		29%		0%		13%	
Consumer	50%		29%		44%		25%	
Residential mortgage	25%		29%		44%		43%	
Small business	12%		13%		12%		13%	
Other	0%		0%		0%		6%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Making collateral based loans?	17%	0%	0%	0%	20%
Reduced collateral margins?	17%	0%	0%	0%	0%
Not requiring cash flow projections?	17%	0%	0%	0%	40%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	49%	100%	0%	0%	20%
Waiving guarantees or other documentation?	0%	0%	0%	100%	20%
Other	0%	0%	0%	0%	0%

6. Describe potential risk in current underwriting practices for:

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Agricultural Loans					
Minimal	84%	96%	90%	93%	90%
Moderate	16%	4%	10%	7%	10%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	75%	80%	74%	74%	83%
Moderate	25%	20%	23%	26%	17%
Substantial	0%	0%	3%	0%	0%
Consumer Loans					
Minimal	78%	84%	87%	85%	90%
Moderate	19%	16%	10%	15%	10%
Substantial	3%	0%	3%	0%	0%
Residential Loans					
Minimal	78%	88%	87%	85%	90%
Moderate	22%	12%	10%	15%	7%
Substantial	0%	0%	3%	0%	3%

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7. Differences between actual lending practices and written policies are:

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Agricultural Loans					
Minimal	97%	92%	100%	100%	93%
Moderate	3%	8%	0%	0%	7%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	84%	88%	90%	93%	93%
Moderate	13%	12%	10%	7%	7%
Substantial	3%	0%	0%	0%	0%
Consumer Loans					
Minimal	91%	84%	93%	96%	97%
Moderate	6%	16%	7%	4%	3%
Substantial	3%	0%	0%	0%	0%
Residential Loans					
Minimal	91%	88%	97%	96%	93%
Moderate	9%	12%	3%	4%	7%
Substantial	0%	0%	0%	0%	0%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Carryover Debt					
Minimal	84%	92%	97%	85%	90%
Moderate	13%	8%	3%	15%	7%
Substantial	3%	0%	0%	0%	3%
Phase-out of Farm Subsidies					
Minimal	91%	96%	87%	93%	100%
Moderate	9%	4%	13%	7%	0%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	88%	88%	81%	85%	90%
Moderate	12%	12%	16%	15%	10%
Substantial	0%	0%	3%	0%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

	Mar-13		Jun-13		Sep-13		Dec-13	
No. Banks with Inc/(Dec) in ratio (%)	+	20%	-	80%	+	19%	-	81%
Average Inc/(Dec) in Ratio	4.1	(17.2)	4.5	(15.6)	8.5	(16.1)	8.5	(19.0)
Cause of Increase								
Eased underwriting standards	0%		0%		0%		0%	
Deterioration in new loans	0%		0%		0%		11%	
Deterioration in older loans	56%		71%		83%		56%	
Participations or out-of-territory	22%		0%		0%		0%	
Economic conditions	11%		29%		0%		0%	
Changes in lending personnel	0%		0%		0%		11%	
New types of lending activity	0%		0%		0%		0%	
Other	11%		0%		17%		22%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
RE/Const/Land Development	21%	21%	15%	23%	21%
RE/Agriculture	1%	3%	3%	2%	5%
RE/Commercial/Industrial	54%	50%	54%	45%	42%
RE/Residential	12%	13%	15%	11%	17%
Agricultural	1%	0%	0%	2%	1%
Commercial/Industrial	8%	10%	10%	16%	11%
Consumer	3%	3%	3%	1%	3%

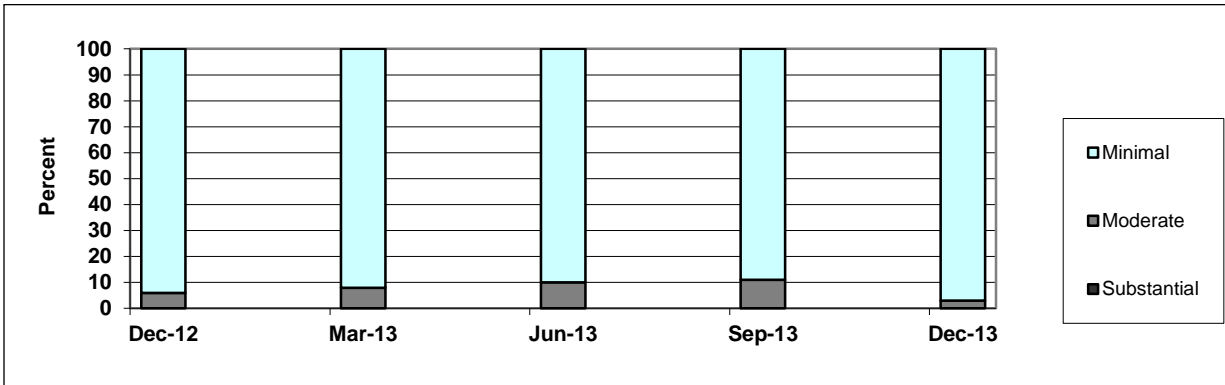
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Yes	0%	4%	0%	0%	7%
No	100%	96%	100%	100%	93%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Yes	88%	80%	93%	93%	87%
No	12%	20%	7%	7%	13%
If yes, does the bank actively borrow from the FHLB?					
Yes	75%	65%	79%	64%	62%
No	25%	35%	21%	36%	38%

14. Does the bank hold off-balance sheet derivatives?

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Yes	16%	12%	7%	11%	10%
No	84%	88%	93%	89%	90%

15. List nontraditional activity the institution is engaged in.

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
Yes	87%	92%	93%	100%	83%
No	13%	8%	7%	0%	17%
Of those that do:					
Nondeposit Investment Sales	14%	15%	17%	16%	14%
Insurance Sales	10%	11%	9%	7%	12%
Real Estate Loan Secondary Market Sales	32%	28%	33%	31%	24%
Non-transactional Web Site	3%	0%	3%	3%	0%
Transactional Web Site	40%	46%	37%	41%	50%
Other	1%	0%	1%	2%	0%